

IN THE CHANCERY COURT FOR HAMILTON COUNTY, TENNESSEE

STATE OF TENNESSEE, ex rel. ANNE B. POPE
in her official capacity as COMMISSIONER OF THE
TENNESSEE DEPARTMENT OF COMMERCE
AND INSURANCE,

Petitioner,

vs.

UNITED STATES FIRE INSURANCE COMPANY;
UNITED STATES FIDELITY AND GUARANTY
COMPANY; EMPLOYERS REINSURANCE
CORPORATION; UTICA MUTUAL INSURANCE
COMPANY; INSURANCE COMPANY OF NORTH
AMERICA; and SAFECO INSURANCE COMPANY
OF AMERICA,

Respondents,

v.

CARLISLE CAGLE, DAVID SEALE,
BRADLEY HATFIELD, DOUG WEST, SR.,
RICHARD COLE, JAMES WORKMAN,
SILAS PASSMORE, JIM T. DICKSON,
EDDIE HART, SR.,

Intervening Petitioners,

*In matter of Bonds held by the Commissioner for
Workers' Compensation Self-Insurance of Tennessee
employer, NORTH AMERICAN ROYALTIES, INC.,
and its subsidiaries, Wheland Holding Company, Inc.,
Wheland Manufacturing Company, Inc., and Wheland
Foundry, LLC debtors in possession;*

No. 02-0079

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FINANCIAL DIVISION

ORDER

This cause came on to be heard on February 21, 2002 at 9:10 a.m. on the intervening
Petition requesting this Court to determine the liabilities of the Respondents with respect to the

FILED

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G. LEE AKERS, C. A. J.

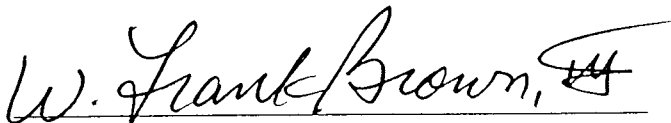
BY _____ DE _____

Bonds of Employer Carrying His Own Risk under T.C.A. § 50-6-405. Based upon the entire record in this cause and the stipulations, oral testimony and exhibits offered into evidence at the hearing, the Court is of the opinion and so holds, in accordance with the findings of fact and conclusions of law announced on the record, that the surety bonds are blanket or continuous bonds, the aggregate liability on any bond is limited to a singular penal sum, and the terminations and replacements of these bonds do not constitute novations rendering those bonds void.

Therefore, it is ORDERED, ADJUDGED and DECREED:

1. That the aggregate liability of Respondent United States Fire Insurance Company is limited to the penal sum of its bond in the amount of \$975,000.00;
2. That the aggregate liability of Respondent United States Fidelity & Guaranty Company is limited to the penal sum of its bond in the amount of \$600,000.00;
3. That the aggregate liability of Respondent Employers Reinsurance Corporation is limited to the penal sum of its bond in the amount of \$350,000.00; and
4. That upon Respondents, United States Fire Insurance Company, United States Fidelity & Guaranty Company and Employers Reinsurance Corporation, paying the penal sums as aforesaid to the Clerk & Master, who shall place the funds in separate, interest bearing accounts, those bonds shall be fully discharged and those Respondents shall be released from any further liability.

ENTERED:


Chancellor, Part I

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of this Order has been placed in the United States Mail addressed to:

This the 28 day of February, 2002.

S. Lee Akers, Clerk and Master

By: L. Brown 39N
Deputy Clerk and Master

Sarah A. Hiestand, Esq.
Office of the Attorney General
P.O. Box 20207
Nashville, TN 37202-0207

Richard T. Klinger, Esq.
KENNEDY, KOONTZ & FARINASH
320 N. Holtzclaw Avenue
Chattanooga, TN 37404

Matthew W. Levin, Esq.
Jason H. Watson, Esq.
ALSTON & BIRD, LLP
1201 West Peachtree Street
Atlanta, GA 30309-3424

Kimberly C. Swafford, Esq.
31 East 11th Street, 4th Floor
Chattanooga, TN 37402

William R. Sonnenburg
Assistant U.S. Trustee
31 East 11th Street, 4th Floor
Chattanooga, TN 37402

Ellen B. Vergos
Office of the United States Trustee
200 Jefferson Avenue, Suite 400
Memphis, TN 38103

Thomas E. Ray, Esq.
WOODEN, RAY, FULTON &
SCARBOROUGH, P.C.
Chattanooga Bank Bldg.
737 Market Street, Suite 620
Chattanooga, TN 37402-4001

William H. Burnett, Esq.
BLANK, ROME, COMISKY & McCAULEY, LLP
Chase Manhattan Centre
1201 Market Street, Suite 800
Wilmington, DE 19801

Marc E. Richards, Esq.
BLANK, ROME, COMISKY & McCAULEY, LLP
The Chrysler Building
405 Lexington Avenue
New York, NY 10174

Mr. Chris Cain, C.W.C.P.
COLLINS & COMPANY, INC.
928 McCallie Avenue
Chattanooga, TN 37403

Jeanne Barnes Bryant, Esq.
Chief Operations Officer
Tennessee Receivers Office
P.O. Box 3089
Brentwood, TN 37024-3089

United States Fire Insurance Company
Mr. Jim Rochotte, Claims Manager
CRUM & FORSTER
P.O. Box 1973
Morristown, NJ 07960-1973

Steven Schoenhar, Esq.
Ms. Wanda O'Hare, Claims Administrator
UNITED STATES FIDELITY & GUARANTY
5801 Smith Avenue
Baltimore, MD 21209

Mr. Gary Newkirk
EMPLOYERS REINSURANCE CORPORATION
5200 Metcalf
Overland, KS 66201

George Wardley, Esq.
Corporate Secretary
UTICA MUTUAL INSURANCE COMPANY
Box 530
Utica, NY 13503

Mr. Hal Winstell
UTICA MUTUAL INSURANCE COMPANY
180 Genesee Street
New Hartford, NY 13413

Mr. John Mangan, TL33L
INSURANCE COMPANY OF NORTH
AMERICA ACE USA
1601 Chestnut Street
Philadelphia, PA 19103

Ms. Annette Wisong
SAFECO INSURANCE COMPANY
OF AMERICA
2055 Sugarloaf Circle
Duluth, GA 30097

Mr. Mark West
1706 Castleberry Avenue
Chattanooga, TN 37412

Weldon E. Patterson, Esq.
Laura Myers, Esq.
SPICER, FLYNN & RUDSTROM
800 S. Gay Street, Suite 2250
Knoxville, TN 37929

Robert Thompson, Esq.
P.O. Box 191
Cleveland, TN 37364-0191

E. Florence Weill, Esq.
WEILL & WEILL
11th Floor, Volunteer Bldg.
832 Georgia Avenue
Chattanooga, TN 37402

Edwin Z. Kelly, Jr., Esq.
KELLY & KELLY, P.C.
P.O. Box 869
309 Betsy Park Drive
Jasper, TN 37347

David R. Jury
Assistant General Counsel
UNITED STEEL WORKERS OF AMERICA
Five Gateway Center
Pittsburgh, PA 15222

Herbert Thornbury, Esq.
732 Cherry Street
Chattanooga, TN 37402

John W. Johnson, III, Esq.
HATCHER, JOHNSON, MEANEY &
GOTHARD, PLLC
2901 East 48th Street
Chattanooga, TN 37407

John Mark Griffin, Esq.
615 Houston Street
Chattanooga, TN 37403

Thomas L. Wyatt, Esq.
SUMMERS & WYATT
500 Lindsay Street
Chattanooga, TN 37403

Robert J. Harriss, Esq.
P.O. Box 2002
Rossville, GA 30741

Joe White, Esq.
Rob Norred, Esq.
SPEARS, MOORE, REBMAN & WILLIAMS
P.O. Box 1749
Chattanooga, TN 37401-1749

Mark Whittenburg, Esq.
COPELAND & WHITTENBURG
3505 Brainerd Road, Suite 8
Chattanooga, TN 37411-2709

Samuel F. Robinson, Jr., Esq.
ROBINSON & ASSOCIATES
424 Georgia Avenue
Chattanooga, TN 37403-1813

G. Brent Burks, Esq.
Barton C. Solomon, Esq.
323 High Street
Chattanooga, TN 37403

William E. Godbold, III, Esq.
M. Andrew Pippenger, Esq.
LEITNER, WILLIAMS, DOOLEY
& NAPOLITAN, PLLC
801 Broad Street, Third Floor
Chattanooga, TN 37402

Thomas A. Williams, Esq.
LEITNER, WILLIAMS, DOOLEY
& NAPOLITAN, PLLC
801 Broad Street, Third Floor
Chattanooga, TN 37402

John V. Burch, Esq.
BOVIS, KYLE & BURCH, LLC
53 Perimeter Center East
Third Floor
Atlanta, GA 30346-2298

Phillip C. Lawrence, Esq.
LAWRENCE, LAWRENCE & GERBITZ
633 Chestnut Street, Suite 760
Chattanooga, TN 37450

John M. Gillum, Esq.
MANIER & HEROD
150 Fourth Avenue North
Suite 2200
Nashville, TN 37219

William L. Norton, III, Esq.
BOULT, CUMMINGS, CONNERS
& BERRY, PLC
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, TN 37219